

**CIRCULAR LETTER**

**To**

**ALL COMMERCIAL BANKS AND SHARIA COMMERCIAL BANKS  
IN INDONESIA**

**Subject: Repurchase Agreement Transaction on Chinese Yuan against Rupiah  
Securities of a Bank to Bank Indonesia**

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In relation to the stipulation of Bank Indonesia Regulation Number 12/6/PBI/2010 dated April 7, 2010 concerning Repurchase Agreement Transaction on Chinese Yuan against Rupiah Securities of a Bank to Bank Indonesia (State Gazette of the Republic of Indonesia Year 2010 Number 61, Supplement to State Gazette of the Republic of Indonesia Number 5127), it is necessary to stipulate an operational rules concerning Repurchase Agreement Transaction on Chinese Yuan against Rupiah Securities of a Bank to Bank Indonesia in a Bank Indonesia Circular Letter with the basic provisions as follows:

**I. THE SUBMISSION OF BANKS' PLAN FOR THE NEED OF CNY  
AND CNY/IDR REPO TRANSACTION WITH BANK INDONESIA**

1. The plan for the need of CNY Banks shall be submitted to Bank Indonesia via the Reuters Monitoring Dealing System (RMDS) and addressed to the Bureau of Reserves and Foreign Exchange Rate Management (*Biro Manajemen Devisa dan Nilai Tukar*) of Bank

Indonesia on Wednesdays as from 09.00 AM to 11.00 AM with the dealing code of BIJA.

2. The plan for the need of CNY shall be based on the needs of the customers having Chinese company trading partners included, at the time of transaction, in the List of Pilot Enterprises, namely the list of companies in China holding an approval from Chinese Authorities to make cross-border Renminbi trade settlement, as set out in Appendix 1 to this Circular Letter constituting an integral and inseparable part of this Circular Letter.
3. Bank Indonesia shall announce:
  - a. Repo Rate and Tenure of CNY/IDR Repo transaction by no later than 5 (five) Business Days at 12.00 AM after the date of submission of the plan for the need of CNY via Reuters or other means of communication in the event of problems with Reuters;
  - b. the price of Securities and Haircut which can be seen in the BI-SSSS;
  - c. CNY/IDR rate which can be seen on Reuters page BIXY.
4. Bank must provide confirmation to Bank Indonesia with respect to the submission of CNY/IDR Repo transaction to Bank Indonesia during the CNY/IDR Repo Transaction Window Time via RMDS, with the following materials:
  - a. the total nominal value of Securities;

- b. the identity of each Securities;
  - c. the nominal of each Securities;
  - d. the remaining tenure of the Securities; and
  - e. the readiness to submit an application letter for a pledge of Securities and power of attorney to Bank Indonesia.
5. A Bank shall submit the application letter for a pledge and power of attorney as set out in the examples in Appendices 2 and 3 by no later than 1 (one) Jakarta business day after the CNY/IDR Repo Transaction Window Time at 12.00 AM.
6. The application letter for a pledge and power of attorney submitted to Bank Indonesia shall be addressed to:
- Directorate of Foreign Exchange Management – Division of the Settlement of Foreign Exchange Transaction
- Bank Indonesia
- Gedung Sjafruddin Prawiranegara 7<sup>th</sup> Floor
- Jl. MH. Thamrin No. 2
- Jakarta Pusat
7. Bank shall make a pledge of Securities by no later than 1 (one) Jakarta business day prior to the Value Date and shall be effective on the Value Date.
8. The tenure of a pledge of Securities shall be in accordance with the Tenure of CNY/IDR Repo plus 6 (six) Jakarta business days.

## II. CALCULATION OF SECURITIES VALUE

Calculation of the Securities Value submitted by Bank and the Repurchase Value

1. The Value of Securities submitted by Bank on the CNY/IDR Repo Value Date (first leg) shall be calculated as follows:

IDR Funds = CNY Funds x Bank Indonesia's CNY/IDR offer exchange rate

$$\text{Value of Securities} = \frac{\text{IDR Funds} \times 100}{\text{Value of Securities} + \text{Accrued Interest} - \text{Haircut}}$$

$$\text{Accrued Interest} = \frac{\text{Number of days of accrued interest} \times \text{Coupon} \times 100}{\text{Number of days in 1 year}}$$

The number of days for the accrued interest and the number of days in 1 (one) year shall be calculated based on the day count conventions applicable to the Securities subject to a repurchase agreement. The day count conventions shall be, among other things, ACT/ACT, ACT/360, ACT/365 and 30/360.

2. The Repurchase Value on the CNY/IDR Repo at Maturity Date (second leg) shall be calculated as follows:

Repurchase Value = CNY Funds on the CNY/IDR Repo Value Date +  
 (CNY Funds on the CNY/IDR Repo Value Date x Repo Rate x  
 act/360)

**a. Nominal value of Repo Rate**

Nominal value of Repo Rate = CNY funds on the value date x  
 (number of repo days/360) x (Repo Rate)

**b. Repurchase value**

Repurchase value = CNY Funds on the value date + Nominal  
 value of Repo Rate

3. Haircut of Securities shall refer to Bank Indonesia provisions concerning repurchase agreement transaction of a Bank to Bank Indonesia in rupiah denomination.
4. In the event of difference in the calculation as referred to in point 1 between a Bank and Bank Indonesia, the results of Bank Indonesia's calculation shall be used.
5. In the event that there is a deficiency of the value of Securities pledged by Bank on the Value Date, the Bank must provide additional Securities for covering such deficiency.

### **III. SETTLEMENT OF CNY/IDR REPO TRANSACTIONS**

#### **A. SETTLEMENT OF TRANSACTIONS IN THE FIRST LEG**

1. Bank shall be required to make a pledge of Securities within 1 (one) Business Day prior to the Value Date.
2. Bank conducting a CNY/IDR Repo transaction must confirm the sending of settlement instruction in BI-SSSS via telephone or e-mail to Bank Indonesia c.q. Directorate of Foreign Exchange Management – Division of the Settlement of Foreign Exchange Transaction.
3. The Coupons of Securities on CNY/IDR Repo transaction shall be the title of Bank conducting a CNY/IDR Repo transaction.
4. In the event of coupon payment of Bank's Securities subject to repurchase agreement to Bank Indonesia, Bank Indonesia shall credit the Bank's rupiah account with Bank Indonesia.

**B. SETTLEMENT OF TRANSACTIONS IN THE SECOND LEG**

1. Banks must settle CNY/IDR Repo transactions by repurchasing Securities at the Repurchase Value on the Maturity Date.
2. With respect to Securities repurchase as referred to in point 1, Banks must transfer CNY funds at the Repurchase Value to Bank Indonesia's account with the People's Bank of China.
3. Banks must provide confirmation to Bank Indonesia c.q. Directorate of Foreign Exchange Management – Division of the Settlement of Foreign Exchange Transaction concerning CNY fund transfer to Bank Indonesia's account with the People's Bank of China.
4. The confirmation as referred to in point 3 shall be provided by no later than 2 (two) Business Days prior to the Maturity Date.

5. Bank Indonesia shall release a pledge of Securities to the relevant Bank by no later than 1 (one) Jakarta business day after the CNY funds are received at Bank Indonesia's account with the People's Bank of China.

#### **IV. SETTLEMENT OF CNY/IDR REPO TRANSACTIONS IN SPECIAL CONDITIONS**

##### **A. BANK DOES NOT MAKE ANY DELIVERY OF SECURITIES IN THE FIRST LEG**

Bank which does not make any pledge of Securities on the Value Date must return the CNY funds to Bank Indonesia's CNY account with the People's Bank of China by no later than 3 (three) Business Days as from the Value Date.

##### **B. BANK DOES NOT TRANSFER CNY FUNDS IN THE SECOND LEG**

1. In the event that a Bank cannot meet the obligation to transfer CNY Funds on the Maturity Date (second leg), Bank Indonesia sell and/or make early redemption of Securities within 3 (three) Jakarta business days after the Maturity Date.
2. The Price of a Bank's Securities sold by Bank Indonesia shall be the price applicable in the market.
3. In the event that the proceeds of the sale and/or early redemption of a Bank's Securities do not suffice for the Repurchase Value and other liabilities, Bank Indonesia shall charge the shortcoming of payment to

the foreign currency account of the relevant Bank demand with Bank Indonesia.

### **Liabilities**

#### **a. Payment Liabilities**

Use of fund shall be subject to a fee at Repo Rate + 200 bps

Use of fund = Repurchase value x (Repo Rate + 200bps) +  
number of days /360

#### **b. Total Liabilities**

Total Liabilities = Repurchase value + Use of fund

### **Securities Market Price**

Securities Market Price = Nominal of Securities subject to a  
repurchase agreement x Dirty price/100

Securities market price in CNY = Securities market price/Bank  
Indonesia's CNY/IDR offer exchange rate

4. In the event that the value of the charging to a Bank's foreign currency account with Bank Indonesia as referred to in point 3 is insufficient, Bank Indonesia shall charge the shortcoming of payment to the relevant Bank's rupiah account with Bank Indonesia.
5. In the event that the proceeds of the sale or early redemption of Securities as referred to in point 1 exceeding the payment liabilities agreed to in CNY/IDR Repo and the Bank's other liabilities, the



surplus shall be returned to the Bank through the relevant Bank's rupiah account with Bank Indonesia.

Since the total liabilities are lower than the Securities market price in CNY, the amount of rupiah required to purchase CNY shall be calculated according to the following calculation:

Total liabilities (rupiah) = Total Liabilities x CNY/IDR Rate

The surplus of proceeds of the Securities sold shall be returned to the Bank.

**C. BANK SUFFERS A DECREASE IN THE COMPOSITE RATING AND/OR BANK INDONESIA FOUND VIOLATION OF BANK INDONESIA REGULATION ON CNY/IDR REPO**

1. Early termination of CNY/IDR Repo contract shall be made if the relevant Bank suffers a decrease in the Composite Rating to below the minimum 3 Composite Rating requirements during the tenure of CNY/IDR Repo transaction and/or Bank Indonesia found violation of Bank Indonesia Regulation on a Bank's CNY/IDR Repo Transaction to Bank Indonesia, among other things:
  - a. Discrepancy in underlying documents; or
  - b. The trading partner of the customer of a Bank is not in the List of Pilot Enterprises.

2. In the event of early termination, the Bank must settle the CNY/IDR Repo transaction by making a repurchase of Securities.
3. Bank Indonesia shall give the Bank a letter containing notice of the early termination, date of transfer and amount of the Repurchase Value which must be paid by the Bank.
4. In the event that the Bank cannot meet the obligation to repurchase Securities at the Repurchase Value at the date as referred to in point 3, the mechanism for settling CNY/IDR Repo as referred to in point B shall be applicable.

## **V. SANCTIONS**

1. In the event a Bank does not make a pledge within 1 (one) Business Day prior to the Value Date (first leg) and the CNY funds have not been received, the Bank shall be subject to a sanction in the form of a written reprimand.
2. In the event a Bank does not make a pledge within 1 (one) Business Day prior to the Value Date (first leg) and the CNY funds have been received, the Bank shall be subject to sanctions in the form of:
  - a. a written reprimand; and
  - b. a financial penalty according to the calculation as follows:  

$$\text{Sanction of financial penalty} = \text{Value of transaction} \times (\text{Repo Rate} + 200\text{bps}) \times \text{Number of days}/360$$

The calculation of days for the imposition of sanction shall use calendar days starting from the Value Date to the date of repayment (excluding the date of repayment).

3. In the event that on the Maturity Date (second leg), a Bank does not transfer the CNY funds at the Repurchase Value to Bank Indonesia's account with the Correspondent Bank appointed by Bank Indonesia, the Bank shall be subject to a sanction of financial penalty according to the calculation as follows:

$$\text{Sanction of financial penalty} = \text{Repurchase value} \times (\text{Repo Rate} + 200\text{bps}) \times \text{Number of days}/360$$

The calculation of days in the imposition of sanction shall use calendar days starting from the Maturity Date to the date of repayment (excluding the date of repayment).

## **VI. EXAMPLE OF THE CALCULATION RELATED TO A CNY/IDR REPO TRANSACTION**

Below is an example of a calculation related to a CNY/IDR Repo transaction:

1. Securities valuation, as referred to in items II.A.1 and II.A.2;
2. calculation of financial penalty, as referred to in items IV.B.3, IV.B.4 and IV.B.5;
3. calculation of sanctions as referred to in point V;  
set out in Appendix 4 constituting an integral and inseparable part of this Circular Letter.

The provisions in this Circular Letter shall be effective on April 8, 2010.

For public cognizance, it is ordered that this Bank Indonesia regulation be promulgated in the State Report of Republic of Indonesia.

Please be informed accordingly.

BANK INDONESIA,

[Signed]

**BUDI MULYA**

DEPUTY GOVERNOR

Appendix 1**List of Pilot Enterprises Participating in RMB Cross-border Trade Settlement**

	<b>Name of Company</b>	<b>City</b>
1	Guangdong Commercial Trading Import And Export Corporation	Guang Zhou
2	Guangdong Silique International Group Maufar Corp., Ltd.	Guang Zhou
3	Guangdong Silique International Group Wintex Corp. Ltd	Guang Zhou
4	Guangdong Silique International Group Garment Co., Ltd.	Guang Zhou
5	Guangdong Light Industrial Products Imp And Exp Holdings Corp.	Guang Zhou
6	Guangdong Foreign Trade Imp. And Exp. Corp.	Guang Zhou
7	Guangdong Foodstuffs Import & Export (Group) Corporation	Guang Zhou
8	Guangdong Native Produce I/E Corp. (Group). Ltd	Guang Zhou
9	China National Nonferrous Metals Imp. & Exp. Guangdong Corp.	Guang Zhou
10	Guanddong Stationary And Sporting Goods Imp And Exp Corp.	Guang Zhou
11	Guangzhou Henghao Chemical Science Co. Ltd.	Guang Zhou
12	Ho Yu Shoe Material Ltd	Guang Zhou
13	Gise Kam Kwan International Trade Ltd.	Guang Zhou
14	Guangzhou Flashlight Industrial Corporation	Guang Zhou
15	Guangzhou Automobile Trading Co Ltd	Guang Zhou
16	Htc Trade Co Ltd	Guang Zhou
17	Guangzhou Pearl River Piano Group Co., Ltd	Guang Zhou
18	Guangzhou Shunlung Industrial Corp.	Guang Zhou
19	Guangzhou Shun Lung Industrial Corp.	Guang Zhou
20	Guangzhou Lun Rigid New Material Corporation	Guang Zhou

	<b>Name of Company</b>	<b>City</b>
21	Guangzhou Elec&Eltek Megenetic Integrated Connetors First Co., Ltd	Guang Zhou
22	W & G Biaxial Materials Technology Corporation	Guang Zhou
23	Pan-Asia Pet Resin(Guangzhou)Co., Ltd.	Guang Zhou
24	Guangdong Silkgroup Fortune Co., Ltd.	Guang Zhou
25	Guangzhou Nypro Molding Plastics Products Co., Ltd.	Guang Zhou
26	Telegoal (Guangzhou) Garment Company Limited	Guang Zhou
27	Guang Zhou Panyu Massway Stationnery & Gift Box Co., Ltd.	Guang Zhou
28	Exquisite Knitters (Guangzhou) Ltd.	Guang Zhou
29	Guangzhou Huabao Glass Co., Ltd	Guang Zhou
30	Guangzhou City Pan Yu Chun Fung Footwear Company Limited	Guang Zhou
31	Grg Banking Equipment Co., Ltd.	Guang Zhou
32	Guangzhou Economic And Technical Development District Construction Import And Export Co. Ltd	Guang Zhou
33	Golden Ware Enterprise Limited	Guang Zhou
34	Guangdong Guangxin Trade Development Co., Ltd	Guang Zhou
35	Guangzhou Evervan Footwear Co., Ltd.	Guang Zhou
36	Guangzhou Sunmile Industries Co Ltd	Guang Zhou
37	Guangzhou Trademaster & Creation Ltd.	Guang Zhou
38	Hedy Holding Co., Ltd	Guang Zhou
39	Guangdong Silk I/E Corp.(Group).Ltd	Guang Zhou
40	Guangzhou Grace Electron Corporation	Guang Zhou

	<b>Name of Company</b>	<b>City</b>
41	Epoxy Base Electronic Material Co., Ltd.	Guang Zhou
42	Guangzhou Panyu Southern Star Co. Ltd.	Guang Zhou
43	Guangzhou Huasheng Paints And Pigments Co., Ltd	Guang Zhou
44	Guangzhou Shipyard International Co. Ltd.	Guang Zhou
45	China National Aero-Technology Guangzhou Co., Ltd	Guang Zhou
46	Eleceltek (Guangzhou ) Electronics Co., Ltd	Guang Zhou
47	Lg Chemical (Guangzhou) Engineering Plastics Co., Ltd.	Guang Zhou
48	Guangzhou Zhujiang Steel Co Ltd	Guang Zhou
49	Guangzhou Tws Electronics Limited	Guang Zhou
50	Pan Overseas (Guangzhou) Electronic Co., Ltd	Guang Zhou
51	Guangzhou Malting Company Ltd	Guang Zhou
52	Guangzhou Yiguan Leather Products Co., Ltd	Guang Zhou
53	Wells Electronic Material(Guangzhou)Co., Ltd.	Guang Zhou
54	Guangzhou Starlite Environmental Friendly Center Limited	Guang Zhou
55	Guangzhou Jianyuan Material Trade And Logistics Co. Ltd	Guang Zhou
56	Kingfa Sci.& Tech. Co., Ltd	Guang Zhou
57	Guangdong Petro Trade Development Corporation.	Guang Zhou
58	Tai-I Jiang Corp (Guangzhou) Co., Ltd	Guang Zhou
59	Tai-I Copper (Guangzhou) Co., Ltd	Guang Zhou
60	Huntsman Advanced Materials (Guangdong) Company Limited	Guang Zhou
61	Huntsman Textile Effects (China) Co., Ltd.	Guang Zhou
62	Guangzhou Power Construct Trade Co. Ltd.	Guang Zhou

	<b>Name of Company</b>	<b>City</b>
63	Panyu Metals And Minerals Imp And Exp Corp	Guang Zhou
64	Guangzhou Zhujiang Lianggua Footwear Co., Ltd	Guang Zhou
65	High Sun Electrical Industrial Co., Ltd.	Guang Zhou
66	Ggec Thchnology Limited	Guang Zhou
67	Guoguang Electric Company Limited	Guang Zhou
68	First Audio Manufacturing Co., Ltd.	Guang Zhou
69	Guangzhou Tiger Head Battery Group Co., Ltd	Guang Zhou
70	Guangzhou Nansha Santis Substrates Ltd	Guang Zhou
71	Panyu Juda Car Audio Equipment Co., Ltd	Guang Zhou
72	Guangzhou Kwangfeng Industrial Co., Ltd.	Guang Zhou
73	Guangzhou Cougar Metal Material Ltd.	Guang Zhou
74	Guangzhou Kam Hing Textile Dyeing Co Ltd	Guang Zhou
75	Bogart Lingerie (Guangzhou) Limited	Guang Zhou
76	Guangzhou Panyu Pegasus Footwear Co., Ltd.	Guang Zhou
77	Guang Zhou Chuang De Shoes Co., Limited	Guang Zhou
78	Guangzhou Chuangyu Garment Co., Ltd	Guang Zhou
79	Guangzhou City Panyu Ever Rich Knitting Garment Co., Ltd.	Guang Zhou
80	Guangzhou Xingxiangweiye Development Co., Ltd	Guang Zhou
81	Guangzhou Pule Packaging Container Co., Ltd	Guang Zhou
82	Guangzhou Younibao Trade Co., Ltd	Guang Zhou
83	Guangzhou Runtian Import And Export Co Ltd	Guang Zhou
84	Df Import & Export Corp., Ltd	Guang Zhou



	<b>Name of Company</b>	<b>City</b>
85	Tency Enterprise Ltd.	Guang Zhou
86	Sabic Innovative Plastics Co., Ltd (China)	Guang Zhou
87	Guangzhou Textile Industry Union Import Export Corporation	Guang Zhou
88	Guangzhou Light Holdings Limited	Guang Zhou
89	Cree Electric Appliances, Inc. Of Zhuhai	Zhu Hai
90	Zhuhai Unicizers Industrial Co., Ltd.	Zhu Hai
91	Philips Dap Company Ltd Zhuhai S.E.Z	Zhu Hai
92	New Ocean Energy Holdings Limited	Zhu Hai
93	Zhuhai Hansen Technology Co., Ltd.	Zhu Hai
94	China Electronics Zhuhai Co., Ltd.	Zhu Hai
95	Zhuhai Yueyufeng Iron And Steel Co Ltd	Zhu Hai
96	Elec-Tech International Co., Ltd.	Zhu Hai
97	Zhuhai Wonderful Electric Power Goods And Materdals Co. Ltd.	Zhu Hai
98	Yuhua Polyester Co., Ltd Of Zhuhai	Zhu Hai
99	Zhuhai Founder Technology Multi-Layer Pcb Co., Ltd.	Zhu Hai
100	Eastcom Peace Smart Card Co., Ltd.	Zhu Hai
101	Intelligent Components Technology Zhuhai Ltd	Zhu Hai
102	V.S. Technology Industry Park (Zhuhai) Co., Ltd	Zhu Hai
103	Zhuhai Chi Cheng Technology Co., Ltd	Zhu Hai
104	Zhuhai Shi You Chemical Co., Ltd	Zhu Hai
105	Zhuhai S.E.Z. Hongta Renheng Paper Co., Ltd	Zhu Hai
106	Print-Rite. Unicorn Iwage Products Co., Ltd Of Zhuhai	Zhu Hai

	<b>Name of Company</b>	<b>City</b>
107	Jin Pin Electrical Co., Ltd Zhuhai S.E.Z.	Zhu Hai
108	Zhuhai Qinfa Trading Co., Ltd	Zhu Hai
109	Taltex (Zhuhai) Ltd	Zhu Hai
110	Teck Soon Hong (Zhuhai) Flavours And Fragrances Ltd	Zhu Hai
111	Zhuhai Yinghao Electronic Technology Co Ltd	Zhu Hai
112	Zhuhai Sunland Trading Co., Ltd.	Zhu Hai
113	Guangdong Ronsen Super Micro-Wire Co., Ltd	Zhu Hai
114	Apollo Zhuhai Electronics Co., Ltd	Zhu Hai
115	Zhuhai Lewaunion Woollen Mills Limited	Zhu Hai
116	Zhuhai Novel Spinning Knitting And Dyeing Co., Ltd	Zhu Hai
117	Sing Hwa Garment Dlpt (Zhuhai) Ltd	Zhu Hai
118	Sunway Plastics And Electric(Zhuhai) Co., Ltd	Zhu Hai
119	Kingtech (Zhuhai) Pcb Limited	Zhu Hai
120	Zhuhai Doree Electronic Co., Ltd.	Zhu Hai
121	Zhuhai Lightex Woollen Mills Limited	Zhu Hai
122	Luen Fung (Zhuhai) Knitwear Ltd.	Zhu Hai
123	Zhuhai Lichen Medicine Co., Ltd	Zhu Hai
124	Dai Cheong (Zhuhai) Concretepile Co., Ltd	Zhu Hai
125	Zhuhai Golden Clothing Co., Ltd	Zhu Hai
126	Guangdong Nam Kwong Industrial And Trading Corp.	Zhu Hai
127	Dongguan Fay Candle Co., Ltd	Dong Guan
128	Dongguan Aall & Zyleman Baby Goods Ltd	Dong Guan

	<b>Name of Company</b>	<b>City</b>
129	Dongguan Datlywtn Watch Co., Ltd	Dong Guan
130	Dongguan Supreme Plastic And Metal Manufacturing Company Limited	Dong Guan
131	Dongguan Nine Dragons Paper Industries Co., Ltd.	Dong Guan
132	Dongguan Texwinca Textile & Garment Ltd.	Dong Guan
133	Dongguan Kingsun Optoelectronic Co., Ltd.	Dong Guan
134	Dongguan Xinya Electronic Technology Co., Ltd	Dong Guan
135	Dongguan Ming Hui Shoes And Garment Co., Ltd	Dong Guan
136	Dongguan Wisetex Knitwear Manufacturing Ltd	Dong Guan
137	Dongguan Walltes Decorative Material Co., Ltd.	Dong Guan
138	Dongguan Piko Model Manufacturing Ltd.	Dong Guan
139	Dongguan Win-Tech Plastic Materials Ltd	Dong Guan
140	Iriver China Co Ltd	Dong Guan
141	Guangdong Shengyi Sci. Tech Co., Ltd	Dong Guan
142	Konica Minolta Business Technologies ( Dongguan) Co Ltd	Dong Guan
143	Dongguan Shung Chong Steel Products Co Ltd	Dong Guan
144	Fugang Electronic (Dongguan) Co., Ltd	Dong Guan
145	Topship Chemical Co., Ltd	Dong Guan
146	Foxlink Electronic (Dongguan) Co., Ltd	Dong Guan
147	Tatsin Furniture(Dongguan) Co. Ltd	Dong Guan
148	Dongguan Island Printing Co, Ltd	Dong Guan
149	Dongguan Taifu Electronic Co., Ltd	Dong Guan

	<b>Name of Company</b>	<b>City</b>
150	Dongguan Senlin Textile Ltd	Dong Guan
151	Guangdong Silver Age Sci And Tech. Co., Ltd.	Dong Guan
152	Dongguan Nova Furniture Co., Ltd	Dong Guan
153	Dongguan Sheng He Chemicals Co., Ltd.	Dong Guan
154	Dongguan Keystone Electric Wire And Cable Co., Ltd	Dong Guan
155	Dongguan Qifeng Foreign Trade Co., Ltd	Dong Guan
156	Dongguan Gloss Mind Apparel Co., Ltd	Dong Guan
157	Dongguan Maugee Industril. Ltd	Dong Guan
158	Dongguan Jing Y i Knitted Garment Co. Ltd	Dong Guan
159	Million Harvest Dongguan Co. Ltd	Dong Guan
160	Dongguan Xinlong Varnished Wire Co., Ltd	Dong Guan
161	Good Prosperity Furniture (Dongguan) Company Ltd	Dong Guan
162	Dongguan City Xingye Industry Co., Ltd.	Dong Guan
163	Dongguan Universal Circuit Board Equipment Co., Ltd	Dong Guan
164	Dongguan Fortune Furniture Ltd	Dong Guan
165	Dongguan Nan Sing Plastics Ltd.	Dong Guan
166	Dongguan Aoyu Hardware And Plastic Co., Ltd	Dong Guan
167	Dongguan Yihui Trade Co. Ltd	Dong Guan
168	The Wing Fat Printing (Dongguan) Co. Ltd	Dong Guan
169	Silver Age Engineering Plastics (Dongguan) Co., Ltd.	Dong Guan
170	Dongguan Great Eastern Garment Limited	Dong Guan
171	Dong Guan Wan Tai Rubber Co., Ltd.	Dong Guan

	<b>Name of Company</b>	<b>City</b>
172	Dongguan Lingqiao Metaland Plastic Manufacturing Ltd	Dong Guan
173	Dongguan Huasheng Audio Products Co., Ltd.	Dong Guan
174	Dongguan Aeon Tech Co., Ltd.	Dong Guan
175	Dongguan Land Dragon Paper Industries Co., Ltd	Dong Guan
176	Dongguan Sea Dragon Paper Industries Co., Ltd	Dong Guan
177	Best System (Dg) Limited	Dong Guan
178	Dongguan Skywalk Sole Co., Ltd	Dong Guan
179	Dongguan Shingtak Shoes Company Ltd	Dong Guan
180	Dongguan Ming Hoi Dyeing & Finishing Factory Co., Ltd.	Dong Guan
181	Dongguan Janus Plastic Product Co Ltd	Dong Guan
182	Dongguan Yongqiang Vehicles Manufacturing Co., Ltd	Dong Guan
183	Ricoh Elemex (Shenzhen) Co., Ltd.	Shen Zhen
184	Hung Hing Printing(China) Co., Ltd.	Shen Zhen
185	Shenzhen Vitasoy (Guangming) Foods And Beverage Co., Ltd	Shen Zhen
186	Shenzhen Globe Union Industrial Corp.	Shen Zhen
187	Haojia Electronic (Shenzhen) Ltd	Shen Zhen
188	Unimicron Technology (Shenzhen) Corp.	Shen Zhen
189	Z.China Paint Mist. Co.,(Shenzhen) Ltd	Shen Zhen
190	Shenzhen Jianyi Tower Electronic Co., Ltd	Shen Zhen
191	Action Technology (Shenzhen) Co., Ltd	Shen Zhen
192	Shenzhen Huili Electronic Co., Ltd	Shen Zhen
193	China Associate (Group) Co., Ltd.	Shen Zhen

	<b>Name of Company</b>	<b>City</b>
194	Zte Kangxun Telecom Co., Ltd	Shen Zhen
195	Shenzhen China Silk Enterprise Limited	Shen Zhen
196	Shekou Lam Soon Flour Mills Co., Ltd	Shen Zhen
197	Zte Corporation	Shen Zhen
198	Shenzhen Mindray Bio-Medical & Electronics Co., Ltd	Shen Zhen
199	Shenzhen Huali Packing & Trading Co., Ltd	Shen Zhen
200	Konka Group Co., Ltd	Shen Zhen
201	Ce Lighting Ltd.	Shen Zhen
202	Byd Precision Manufacture Co., Ltd	Shen Zhen
203	Shenzhen Huawei Communication Technology Co., Ltd	Shen Zhen
204	Shenzhen Konka Communication Technology Co., Ltd	Shen Zhen
205	Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd	Shen Zhen
206	China Electronics Shenzhen Company	Shen Zhen
207	Tianma Microelectronics Co., Ltd	Shen Zhen
208	Strongjet Technology Co., Ltd	Shen Zhen
209	Ykk Zipper (Shenzhen) Co., Ltd	Shen Zhen
210	Toshiba Tec Information Systems (Shen Zhen) Co., Ltd	Shen Zhen
211	Ricoh Componenis Asia (Shenzhen) Co., Ltd	Shen Zhen
212	Timely Electronics (Shenzhen) Co., Ltd	Shen Zhen
213	Regina Miracle Intimate Apparel (Shenzhen) Co., Ltd	Shen Zhen
214	Simtai Optics (Shenzhen) Co., Ltd	Shen Zhen
215	Fuding Precision Components (Shenzhen) Co., Ltd	Shen Zhen

	<b>Name of Company</b>	<b>City</b>
216	Sheng Longxing Electronics (Shenzhen) Co., Ltd	Shen Zhen
217	Merry Electronics (Shenzhen) Co., Ltd	Shen Zhen
218	Msi Computer (Shenzhen) Co., Ltd	Shen Zhen
219	Winner Industries (Shenzhen) Co., Ltd.	Shen Zhen
220	Wei Chang Sing Electronics (Shenzhen) Co., Ltd	Shen Zhen
221	Apcb Electronics (Shen Zhen) Co., Ltd.	Shen Zhen
222	Shenzhen Yu Da Fu Electronic Co., Ltd	Shen Zhen
223	Sanmina-Sci Enclosure Systems (Shenzhen) Co., Ltd.	Shen Zhen
224	Chochuen Garment (Shenzhen) Co., Ltd	Shen Zhen
225	Shenzhen Baohing Electronic Wire & Cable Manufacture Co., Ltd	Shen Zhen
226	Nishoku Plastic Mold (Shenzhen)Co., Ltd	Shen Zhen
227	Sharetronic Digital Electronic (Shenzhen) Co., Ltd	Shen Zhen
228	Shenzhen Oriental Wanghe Industrial Co., Ltd	Shen Zhen
229	Pantene Industrial Co., Ltd.	Shen Zhen
230	Gode Electronics (Shenzhen) Co., Ltd	Shen Zhen
231	Starlite Printers (Shenzhen)Co., Ltd	Shen Zhen
232	Embry (China) Garments Limited	Shen Zhen
233	Shenzhen Yuanxing Fruit Co., Ltd	Shen Zhen
234	Shenzhen Bada Logistics Co., Ltd.	Shen Zhen
235	Cnbmit Co., Ltd	Shen Zhen
236	Clad Garments (SHENZHEN)Co. Ltd	Shen Zhen
237	SHENZHEN Harson Shoes.Limited	Shen Zhen

	<b>Name of Company</b>	<b>City</b>
238	Southseas Oils & Fats Industrial (Chiwan) Co., Ltd	Shen Zhen
239	Skyworth Multimedia (Shenzhen) Co., Ltd	Shen Zhen
240	A-Max Technology (China) Ltd.	Shen Zhen
241	Huikē Electronics (Shenzhen) Co. Ltd	Shen Zhen
242	Epson Engineering (Shenzhen) Ltd.	Shen Zhen
243	Leefung-Asco Printers Holdings Limited	Shen Zhen
244	Wynne Wood Toys Industrial (Shenzhen) Co., Ltd.	Shen Zhen
245	Shenzhen Wanhe Pharmaceutical Co., Ltd	Shen Zhen
246	Shenzhen Sangfei Consumer Communications Co, Ltd.	Shen Zhen
247	Shenzhen Seastar Technology Co., Ltd	Shen Zhen
248	Shenzhen Zowee Technology Co., Ltd	Shen Zhen
249	Shenzhen Chuangwei-RGB Electronics Co., Ltd.	Shen Zhen
250	Shenzhen Diguang Electronics Co., Ltd.	Shen Zhen
251	Shenzhen Coship Electronics Co., Ltd.	Shen Zhen
252	Emerson Network Power Co., Ltd.	Shen Zhen
253	Shenzhen Yifang Digital Technologies Co., Ltd	Shen Zhen
254	Measurement Specialties (China) Ltd	Shen Zhen
255	Shenzhen Southern Cimc Eastern Logistics Equipment Manufatore Co., Ltd	Shen Zhen
256	Byd Company Ltd	Shen Zhen
257	Omron Electronic Components (Shenzhen) Ltd.	Shen Zhen
258	Shenzhen BAK Battery CO., LTD.	Shen Zhen



	<b>Name of Company</b>	<b>City</b>
259	Join-One Electric (Shenzhen) Co., Ltd	Shen Zhen
260	Huawei Technologies Co., Ltd	Shen Zhen
261	Monforts Fong's Textile Machinery (Shenzhen) Co., Ltd	Shen Zhen
262	Shenzhen Ktc Computer Technology Co., Ltd	Shen Zhen
263	Cnb Technology Inc.	Shen Zhen
264	Mingle Metal (Shen Zhen) Co., Ltd	Shen Zhen
265	Shenzhen Excelstor Technology Ltd	Shen Zhen
266	Shenzhen Samsung Sdi Co., Ltd	Shen Zhen
267	Shenzhen Hi-Optel Technology Co., Ltd.	Shen Zhen
268	Shenzhen Aerospace Guangyu Industry (Group ) Corp.	Shen Zhen
269	Shenzhen Hongji Entertrises (Holdings) Ltd	Shen Zhen
270	Eternal Asia Supply Chain Management Ltd.	Shen Zhen
271	Shenzhen Prolto Supply Chain Management Co. Ltd.	Shen Zhen
272	Tianji Electronics (Shenzhen) Co., Ltd	Shen Zhen
273	Shenzhen Longgang Foreign Economic Development Co., Ltd.	Shen Zhen
274	Baoshan Iron & Steel Co., Ltd.	Shang Hai
275	Sinochem Shanghai Co., Ltd	Shang Hai
276	Siic Shanghai Int'l Trade (Group) Co., Ltd.	Shang Hai
277	Shanghai Silk Groub Co., Ltd	Shang Hai
278	Shanghai Foreign Trade Enterprises Co., Ltd.	Shang Hai
279	Shanghai Foreign Trade Enterprises Pudong Co., Ltd.	Shang Hai
280	Shanghai Flying Horse Imp. & Exp. Co., Ltd.	Shang Hai

	<b>Name of Company</b>	<b>City</b>
281	Shanghai Metals & Minerals Imp & Exp Corp.	Shang Hai
282	Ikea (China) Investment Co., Ltd	Shang Hai
283	Sassin International Electric Shanghai Co., Ltd	Shang Hai
284	Shanghai Baolong Sales Co., Ltd.	Shang Hai
285	Shanghai Electric Group Company Limited	Shang Hai
286	Shanghai Zhenhua Heavy Industry Co., Ltd.	Shang Hai
287	Shanghai Urban Construction Group	Shang Hai
288	China Building Material International Engineering Co., Ltd.	Shang Hai
289	Sinochem International Corporation	Shang Hai
290	Shanghai Zhongze International Trade Co., Ltd.	Shang Hai
291	Shanghai Electric International Economic & Trade Co., Ltd.	Shang Hai
292	Shanghai Huanyu Import & Export Co., Ltd.	Shang Hai
293	Semiconductor Manufacturing International Corporation	Shang Hai
294	Shanghai Bell Co., Ltd.	Shang Hai
295	Hudong-Zhonghua Shipbuilding (Group) Co., Ltd.	Shang Hai
296	Shanghai Hewlett-Packard Co., Ltd	Shang Hai
297	STATS Chippac Shanghai Co., Ltd	Shang Hai
298	Basf Auxiliary Chemicals Company Limited	Shang Hai
299	Shanghai Michelin Warrior Tire Co., Ltd.	Shang Hai
300	Shanghai Shipyard Co., Ltd.	Shang Hai
301	Orient International Holding Shanghai Knitwear I/E Co., Ltd.	Shang Hai
302	Shanghai San Kai Imp. & Exp. Co., Ltd. C46	Shang Hai

	<b>Name of Company</b>	<b>City</b>
303	Shanghai Bada Textile Printing And Dyeing Garment Co., Ltd.	Shang Hai
304	China Shanghai (Group) Corporation For Foreign Economic & Technological Cooperation	Shang Hai
305	China S Dongfeng Automobile Import & Export Co., Ltd.	Shang Hai
306	Shanghai Win-Wing Imp. & Exp. Co., Ltd.	Shang Hai
307	Shanghai Haicheng Economic & Trade Co., Ltd	Shang Hai
308	Shanghai Dongyuan Enterprise Development Co., Ltd.	Shang Hai
309	Shanghai Jianpu Import & Export Co., Ltd.	Shang Hai
310	Shanghai Jin Jiang International Trading Co., Ltd.	Shang Hai
311	Shanghai Atomic Energy Industry Co., Ltd.	Shang Hai
312	Shanghai New World Corporation Ltd.	Shang Hai
313	Shanghai Foodstuffs Imp. & Exp. Corp.	Shang Hai
314	Shanghai Minguang Imp. & Exp. Co., Ltd.	Shang Hai
315	Shanghai Light Industrial Products Imp. & Exp. Co., Ltd.	Shang Hai
316	Shanghai Hansen Investment Developing Co., Ltd	Shang Hai
317	Shanghai Lansheng Corporation	Shang Hai
318	Shanghai Shenda Imp. & Exp. Co., Ltd.	Shang Hai
319	Jiangnan Shipbuilding (Group) Co., Ltd.	Shang Hai
320	China Mcc International Economic And Trade Co., Ltd.	Shang Hai
321	Shanghai Toys Imp. & Exp. Co., Ltd.	Shang Hai
322	Shanghai Dragon (Group) Corporation (Sdc)	Shang Hai
323	Sinosteel Shanghai Co., Ltd.	Shang Hai

	<b>Name of Company</b>	<b>City</b>
324	Shanghai Baoqing Asset Management Co., Ltd.	Shang Hai
325	Shanghai Baolong Int'L Trading Co., Ltd.	Shang Hai
326	Shanghai Senlian Timber Industrail Development Co., Ltd.	Shang Hai
327	Shanghai Tunnel Engineering Co., Ltd.	Shang Hai
328	China Haisum Engineering Co., Ltd.	Shang Hai
329	Shanghai Port Technology Engineer Service Co., Ltd.	Shang Hai
330	Double Coin Holdings Ltd.	Shang Hai
331	Shanghai Chemical Industry Supply & Sales Co., Ltd.	Shang Hai
332	Shanghai Dongsong International Trading Co., Ltd.	Shang Hai
333	Shanghai Shenlong International Trading Co., Ltd.	Shang Hai
334	Shanghai Vostosun Industrial Co., Ltd.	Shang Hai
335	Shanghai Wor-Biz. Trading Co., Ltd.	Shang Hai
336	Shanghai Tiqiao Textile &Yarn Dyeing Co., Ltd	Shang Hai
337	Shanghai Povos Enterprise (Group) Co., Ltd.	Shang Hai
338	Shanghai Sanweng International Trading Co., Ltd.	Shang Hai
339	Ningbo United Group Shanghai Imp. & Exp. Co., Ltd.	Shang Hai
340	Shanghai Tianyuan International Trade Co., Ltd.	Shang Hai
341	Johnson & Johnson (China) Co., Ltd.	Shang Hai
342	Shanghai Jinneng International Trade Co., Ltd	Shang Hai
343	Shanghai Shenlong Bus Co., Ltd.	Shang Hai
344	Shanghai Dynacast Electron Parts Co., Ltd.	Shang Hai
345	Shanghai Lansheng Daewoo Corp.	Shang Hai

	<b>Name of Company</b>	<b>City</b>
346	Evapco (Shanghai) Cooling Equipment Co., Ltd.	Shang Hai
347	Shanghai Baoshan Taiping Container Co., Ltd.	Shang Hai
348	Bayer (Shanghai) Polyurethane Co., Ltd.	Shang Hai
349	Hannspree Technology (Shanghai) Co., Ltd.	Shang Hai
350	Shanghai Taiping Int'L Container Co., Ltd.	Shang Hai
351	Shanghai Singamas Container Holdings Co., Ltd.	Shang Hai
352	Pulcra Chemicals (Shanghai) Co., Ltd.	Shang Hai
353	Cognis Chemicals (China) Co., Ltd.	Shang Hai
354	Shanghai Mitsubishi Elevator Co., Ltd.	Shang Hai
355	Shanghai Fuji Xerox Co., Ltd.	Shang Hai
356	Shanghai Eternal Information Technology Co., Ltd.	Shang Hai
357	Shanghai Ab Food & Beverages Ltd.	Shang Hai
358	Mitsubishi Electric Shanghai Electric Elevator Co., Ltd	Shang Hai
359	Cooltech Power (Shanghai) Ltd. & Shantou S.E.Z. Cooltech Power Ltd.	Shang Hai
360	Shanghai Bcd Semiconductor Manufacturing Co., Ltd.	Shang Hai
361	Salim Van (Shanghai) Enterprise Group Co., Ltd.	Shang Hai
362	Bayer Paint Systems Shanghai Co., Ltd.	Shang Hai
363	Bayer (Shanghai) Polymer Co., Ltd.	Shang Hai
364	Shanghai Kerry Food Industries Co., Ltd.	Shang Hai
365	Shanghai Aotulifu Automobile Security System Co., Ltd.	Shang Hai

Appendix 2**APPLICATION LETTER FOR PLEDGE**

To

Bank Indonesia – Directorate of Foreign Exchange Management

Attn. Division of the Settlement of Foreign Exchange Transaction

Menara Sjafruddin Prawiranegara 7<sup>th</sup> Floor

Jl. MH Thamrin No. 2

Jakarta 10350

Subject:        Application for Pledge in the Context of CNY/IDR Repurchase Agreement Transaction

With respect to our plan for applying CNY/IDR Repurchase Agreement (Repo) transaction to Bank Indonesia during the tenure of Repo of .... (insert the period in words) days, we hereby submit the application for the performance of a pledge transaction on our Bank Indonesia Certificates (SBI)/Government Bonds (SUN)/Government Sharia Securities (SBSN) registered in the BI-SSSS as attached.

Name of Participant        : .....

Member Code                : .....

Series of Securities         : .....

Nominal                        : .....

Price                            : .....

Date of Settlement         : .....

Tenure of the Pledge        : .....

We have made the application as well as the aforementioned appendix in accordance with the truth and in the event that incorrect matters are found in the future, we release Bank Indonesia from any lawsuit and we shall be responsible for the lawsuit against the Administrator and other lawsuits occurred related to the performance of the said pledge.

Please be informed accordingly and we express our gratitude for the attention.

Jakarta, .....

Name of Company

Signature of an authorized Officer and

Company seal

Appendix 3**POWER OF ATTORNEY**

I, the undersigned:

...(name)..., ...(title)..., residing at ....., in this matter acting in such position, hereby representing the (Board of Directors/Limited Liability Company of PT. Bank .....), thereby ..... and therefore acting for and on behalf of Bank ....., based on .....\* (Article ... of its Articles of Association set forth in Notary Deed of ..., Number ..., dated .....), domiciled in ....., and having its address at ..... hereinafter referred to as the Principal.

\*) If the Bank is a Foreign Bank:

...(name)..., ...(title)..., residing at ....., in this matter acting ... based on the Deed of Power of Attorney dated ... Number ... drawn up before ..., Notary in Jakarta, hereby acting for and on behalf of ....., Indonesia branch, a bank duly established under the law of ...(country of the foreign bank's head office)..., and in this matter acting through its branch office in Indonesia, domiciled in Jakarta, at ...(address)..., hereinafter referred to as the Principal.

**--- SPECIFICALLY---**

- 1) For conducting the sale and/or early termination of Bank Securities (...identity of Securities...) subject to a pledge for the purpose of the settlement of CNY/IDR Repurchase Agreement transaction.
- 2) For debiting foreign currency account of Bank (...name of Bank...) with Bank Indonesia, in the event that the proceeds of the sale of Securities are not



sufficient for the Repurchase Value and other liabilities of the Bank related to CNY/IDR Repurchase Agreement transaction.

- 3) For debiting the foreign currency account of Bank (...name of Bank...) with Bank Indonesia, in the event that the balance of the foreign currency account of Bank (...name of Bank...) with Bank Indonesia is inadequate for covering the shortcoming of the Repurchase Value and other liabilities of the Bank related to CNY/IDR Repurchase Agreement transaction.

by referring to the provisions of Bank Indonesia Regulation Number 12/--/PBI/2010 concerning Repurchase Agreement Transaction on Chinese Yuan Against Rupiah Securities of a Bank to Bank Indonesia.

This Power of Attorney shall be effective as from the date of execution up to .....

This Power of Attorney is hereby granted for appropriate use.

Jakarta, .....

Proxy

Principal

.....

.....

Appendix 4**Example of the Calculation of CNY/IDR Repo Transaction**

-----

On January 28, 2010, Bank “A” submitted a CNY/IDR Repo in the amount of CNY1,000,000.00 for 31 days (the CNY/IDR Repo was due on February 28, 2010) by using Sovereign Debt Securities (SUN) with the characteristics as follows:

- Coupon : 13.55%
- Clean Price : 104.83000%
- Accrued Interest: 2.78530%

With the calculation as follows:

$$\text{Accrued Interest} = 74/360 \times 13.55\% \times 100 = 2.79$$

Other data on the date of transaction:

- Bank Indonesia’s CNY/IDR offer exchange rate: Rp1,500 per CNY
- Haircut : 5%
- Repo rate : 4%

**Calculation of the Nominal Value of Securities subject to Repurchase****Agreement****a. Amount of CNY/IDR Repo funds in rupiah**

$$\begin{aligned} \text{Amount of CNY/IDR Repo submission in rupiah} &= \text{Amount of CNY/IDR Repo funds} \times \text{Bank Indonesia's CNY/IDR offer exchange rate} \\ &= \text{CNY1,000,000.00} \times \text{Rp1,500/CNY} = \text{Rp1,500,000,000.00} \end{aligned}$$

**b. Nominal Value of Securities subject to Repurchase Agreement**

$$\begin{aligned}
& \text{Nominal value of Securities subject to Repurchase Agreement} = \text{Amount of} \\
& \text{CNY/IDR Repo funds in rupiah} / (\text{Clean Price} + \text{Accrued Interest} - \text{Haircut}) \\
& = \text{Rp}1,500,000.00 / (104.83000\% + 2.78530\% - 5\%) \\
& = \text{Rp}1,461,770,320.80 \\
& = \text{Rp}1,462,000,000.00
\end{aligned}$$

### **Calculation of the Repurchase Value (second leg)**

#### **a. Nominal value of repo rate**

$$\begin{aligned}
& \text{Nominal value of repo rate} = \text{Amount of CNY/IDR Repo funds} \times \text{Amount of repo days} / 360 \times \text{Repo rate} \\
& = \text{CNY}1,000,000.00 \times 31/360 \times 4\% = \text{CNY}3,444.44
\end{aligned}$$

#### **b. Repurchase value**

$$\begin{aligned}
& \text{Repurchase value} = \text{Amount of CNY/IDR Repo funds} \times \text{Nominal value of repo rate} \\
& = \text{CNY}1,000,000.00 + \text{CNY}3,444.44 = \text{CNY}1,003,444.44
\end{aligned}$$

### **Example of the Settlement of CNY/IDR Repo Transaction if a bank does not transfer CNY funds in the second leg**

-----

If in the aforementioned example the Bank does not meet the obligation to transfer CNY Funds on the Maturity Date, Bank Indonesia sell the Securities within 3 (three) Jakarta business days after the Maturity Date.

#### **I. The Proceeds of the sale of a Bank's Securities are not sufficient for the Repurchase Value and other liabilities**

On the Maturity Date, Bank Indonesia's CNY/IDR offer exchange rate is 1,600 per CNY and the dirty price (clean price plus accrued interest) of FR0011 Series Sovereign Debt Securities (SUN) is 99.00000%.

**a. Securities market price**

$$\begin{aligned}
 &\text{Securities market price} \quad \text{Nominal of Securities} \quad \text{Dirty price} \\
 &= \quad \text{subject to a repurchase} \\
 &\quad \text{agreement x} \\
 &= \text{Rp1462,000,000.00} \times 99.00000\% = \text{Rp1,447,380,000.00}
 \end{aligned}$$

**b. Securities market price in CNY**

$$\begin{aligned}
 &\text{Securities market price in CNY} = \frac{\text{Securities market price/Bank}}{\text{Indonesia's CNY/IDR offer exchange rate}} \\
 &= \text{Rp1,447,380,000.00} / \text{Rp1,600/CNY} = \text{CNY904,612.50}
 \end{aligned}$$

**c. Sanction of financial penalty**

The Bank is subject to a sanction of financial penalty at Repo Rate plus 200bps times the number of days with the nominal of the Repurchase Value from the Maturity Date up to the date of repayment.

$$\begin{aligned}
 &\text{Sanction of} \quad \text{Repurchase value} \quad (\text{repo rate} + \quad \text{Number of} \\
 &\text{financial penalty} \quad \times \quad 200\text{bps}) \times \quad \text{days/360} \\
 &= \\
 &= \text{CNY1,003,444.44} \times (4\% + 2\%) \times 5/360 = \text{CNY836.20}
 \end{aligned}$$

**d. Total liabilities**

$$\begin{aligned}
 \text{Total liabilities} &= \text{Repayment value} + \text{Sanction of financial penalty} \\
 &= \text{CNY}1,003,444.44 + \text{CNY}836.20 = \text{CNY}1,004,280.64
 \end{aligned}$$

Since the total amount of liabilities is higher than the Securities market price in CNY, the shortcoming of payment is CNY99,668.14 (CNY1,004,280.64 – CNY904,612.50) which will be charged to the foreign currency account of the Bank with Bank Indonesia.

In the event that on the Maturity Date, the amount of the foreign currency account of Bank A with Bank Indonesia is only in the equivalent amount of CNY50,000.00, the remaining CNY49,668.14 will be charged to the rupiah account of Bank A with Bank Indonesia.

## **II. Proceeds of the sale of a Bank's Securities is higher than the Repurchase Value and other liabilities**

On the Maturity Date, Bank Indonesia's CNY/IDR offer exchange rate is 1,400 per CNY and the dirty price (clean price plus accrued interest) of FR0011 Series Sovereign Debt Securities (SUN) is 109.000000%.

### **a. Securities market price**

$$\begin{aligned}
 \text{Securities market price} &= \text{Nominal of Securities} \times \text{Dirty price} \\
 &\quad \text{subject to a repurchase agreement} \\
 &= \text{Rp}1462,000,000.00 \times 109.000000\% = \text{Rp}1,593,580,000.00
 \end{aligned}$$

### **b. Securities market price in CNY**

$$\begin{aligned} \text{Securities market price in CNY} &= \frac{\text{Securities market price/Bank}}{\text{Indonesia's CNY/IDR offer exchange rate}} \\ &= \text{Rp1,593,580,000.00/Rp1,400/CNY} = \text{CNY1,138,271.43} \end{aligned}$$

**c. Sanction of financial penalty**

The Bank is subject to a sanction of financial penalty at Repo Rate plus 200bps times the number of days with the nominal of the Repurchase Value from the Maturity Date to the date of repayment.

$$\begin{aligned} &\frac{\text{Sanction of financial penalty}}{\text{Repurchase value}} \times (\text{repo rate} + 200\text{bps}) \times \frac{\text{Number of days}}{360} \\ &= \text{CNY1,003,444.44} \times (4\% + 2\%) \times \frac{5}{360} = \text{CNY836.20} \end{aligned}$$

**d. Total liabilities**

$$\begin{aligned} \text{Total liabilities} &= \text{Repayment value} + \text{Sanction of financial penalty} \\ &= \text{CNY1,003,444.44} + \text{CNY836.20} = \text{CNY1,004,280.64} \end{aligned}$$

**e. Total liabilities in rupiah**

$$\begin{aligned} \text{Total liabilities in rupiah} &= \text{Total liabilities} \times \text{Bank Indonesia's CNY/IDR offer exchange rate} \\ &= \text{CNY1,004,280.64} + \text{Rp1,400/CNY} = \text{Rp1,405,992,901.18} \end{aligned}$$

Since the total liabilities is lower than the Securities market price in CNY, the surplus of proceeds of the sale of Securities in the amount of Rp187,587,098.82 (Rp1,593,580,000.00 – Rp1,405,992,901.18) will be returned to the Bank.

**Example of the Calculation of the Number of Days for the Imposition of a Sanction of financial penalty**

-----

Maturity Date of a CNY/IDR Repo: February 1, 2010.

Date of the repayment of CNY funds from the proceeds of execution/sale of

Securities subject to a repurchase agreement: February 8, 2010.

The number of days for the imposition of a sanction of financial penalty is 7 (seven) calendar days (number of days is calculated from February 1 to February 7, 2010, excluding the date of repayment of CNY funds on February 8, 2010).